

**Montana Board of Oil and Gas Conservation
Environmental Assessment**

Proposed Action: Approve Drilling Permit (Form 22)

Operator: VECTA Oil and Gas

Well Name/Number: Danielson 33-17

Location: NW SE Section 17 T35N R1W

County: Toole, MT; Field (or Wildcat) Kevin/Sunburst

Air Quality

(possible concerns)

Long drilling time: No, 12 to 15 days drilling time.

Unusually deep drilling (high horsepower rig): No, a double or small triple drilling rig to drill to a 4000' TD vertical Duperow Formation well test.

Possible H₂S gas production: Slight chance of H₂S.

In/near Class I air quality area: No class I air quality area, in the area of review.

Air quality permit for flaring/venting (if productive) Yes, DEQ air quality permit required under 75-2-211.

Mitigation:

☒ Air quality permit (AQB review)

☐ Gas plants/pipelines available for sour gas

☐ Special equipment/procedures requirements

☐ Other: _____

Comments: No special concerns – using a double or small triple drilling rig to drill a 4000' TD vertical Duperow Formation well test.

Water Quality

(possible concerns)

Salt/oil based mud: No, surface hole will be drilled with freshwater. Main hole will be drilled with freshwater and freshwater drilling mud system.

High water table: No high water table in the area of review.

Surface drainage leads to live water: No, closest drainages are unnamed ephemeral tributary drainages, about 3/10 of a mile to the southwest, a stock pond exists in this drainage 3/10 of a mile to the west and another stock pond exists 1/5 of a mile north

Water well contamination: No, there are no water wells near this location or in the entire township and range. This well will drill and set 9 5/8" surface casing to 500' and cement to surface. Depth of these water wells range from 17' to 100'. Well will be drilled with freshwater based drilling fluids from base of surface casing to TD of 4000' Duperow Formation. If productive, 5 1/2" production casing will be run and cemented.

Porous/permeable soils: No, silty "Gumbo" clay soils.

Class I stream drainage: No Class I stream drainages.

Mitigation:

☒ Lined reserve pit

☒ Adequate surface casing

☐ Berms/dykes, re-routed drainage

☐ Closed mud system

☒ Off-site disposal of solids/liquids (in approved facility)

X Other: Drill cuttings will be buried in the lined reserve/cuttings pit and mixed off with dry subsoil. Cuttings pit will be closed when dry. A minimum of four feet (4') dry subsoil and topsoil will cover the reserve/cuttings pit.

Comments: Freshwater mud system to be used on surface hole. freshwater mud system will be used out from under surface casing to 4000' TD. Fluids in the lined reserve pit will be trucked to a permitted Class II Disposal. The reserve/cuttings pit will be allowed to dry and then mixed buried with cuttings and subsoil with at least 4' of cover. No concerns.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: No live water stream crossings.

High erosion potential: No, small cut, up to 7.6' and small fill, up to 1.9', required.

Loss of soil productivity: No, location will be restored after drilling, if nonproductive. If productive unused portion of drillsite will be reclaimed.

Unusually large wellsite: No, a average location, 400X400' size required.

Damage to improvements: Slight, surface use is grass and sagebrush grazing land.

Conflict with existing land use/values: Slight

Mitigation

 Avoid improvements (topographic tolerance)

 Exception location requested

X Stockpile topsoil

 Stream Crossing Permit (other agency review)

X Reclaim unused part of wellsite if productive

 Special construction methods to enhance reclamation

X Other: Requires DEQ General Permit for Storm Water Discharge Associated with Construction Activity, under ARM 17.30.1102(28).

Comments: Access will be from existing Sundby Road and a 2 track. About 100' of new trail will be constructed into this location off the existing 2 track. Freshwater drill cuttings and mud solids will be buried in the lined reserve/cuttings pit. Lined pit will backfilled with 4' of cover when dry. Drilling fluids will be trucked to a Class II Disposal. No concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Nearest residences is 2/5 of a mile south and 9/10 of a mile southwest and 1 mile to the southwest from this location. The town of Sunburst, Montana is about 9.4 miles to the northwest from this location.

Possibility of H2S: Yes, slight chance of H2S.

Size of rig/length of drilling time: Triple derrick drilling rig, about 10 to 15 days drilling time.

Mitigation:

X Proper BOP equipment

 Topographic sound barriers

 H2S contingency and/or evacuation plan

 Special equipment/procedures requirements

 Other: _____

Comments: Operational BOP and adequate surface casing should mitigate any problems. (BOP's 3,000 psig annular, pipe and blind rams) rule 36.22.1014. No concerns.

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): None identified.

Proximity to recreation sites: None identified.

Creation of new access to wildlife habitat: No

Conflict with game range/refuge management: No

Threatened or endangered Species: Species identified as threatened or endangered are the Black-footed Ferret. Candidate specie is the Sprague's Pipit. NH tracker website lists one (1) "Species of Concern" in T35N R1W, it is the Ferruginous Hawk.

Mitigation:

☐ Avoidance (topographic tolerance/exception)

☐ Other agency review (DFWP, federal agencies, DSL)

☐ Screening/fencing of pits, drillsite

☐ Other: _____

Comments: Private surface grazing land. There may be species of concern that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to what he would like done, if a species of concern is discovered at this location. The Board of Oil & Gas has no jurisdiction over private surface lands.

Historical/Cultural/Paleontological

(possible concerns)

Proximity to known sites None identified.

Mitigation

☐ avoidance (topographic tolerance, location exception)

☐ other agency review (SHPO, DSL, federal agencies)

☐ Other: _____

Comments: Private surface grazing land. There maybe possible historical/cultural/paleontological sites that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to his desires to preserve these sites or not, if they are found during construction of the wellsite. The Board of Oil & Gas has no jurisdiction over private surface lands.

Social/Economic

(possible concerns)

☐ Substantial effect on tax base

☐ Create demand for new governmental services

☐ Population increase or relocation

Comments: Well is a wildcat, until production is established, no social or economic impact can be assessed.

Remarks or Special Concerns for this site

Well is a 4000' TD vertical Duperow Formation well test.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur.

I conclude that the approval of the subject Notice of Intent to Drill (does/**does not**) constitute a major action of state government significantly affecting the quality of the human environment, and (does/**does not**) require the preparation of an environmental impact statement.

Prepared by (BOGC): /s/John Gizicki
(title:) Compliance Specialist
Date: April 29, 2014

Other Persons Contacted:

Montana Bureau of Mines and Geology GWIC website

(Name and Agency)
Yellowstone County water wells

(subject discussed)
April 29, 2014
(date)

US Fish and Wildlife, Region 6 website
(Name and Agency)
ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES
MONTANA COUNTIES, Yellowstone County
(subject discussed)

April 29, 2014
(date)

Montana Natural Heritage Program Website (FWP)
(Name and Agency)
Heritage State Rank= S3, T35N R1W
(subject discussed)

April 29, 2014
(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____